



Medical Care Savings Account
Penalty Calculation
For Self-Administered Individual Accounts
15-61-201, MCA

Taxpayer Information

Name _____ Social Security Number _____

Account Information

Medical care savings account number _____

Financial institution where account is held _____

Address of financial institution _____

If you have a medical care savings account, you must file your Montana income tax return using Form 2 (long form). All nonqualifying withdrawals from your self-administered medical care savings account (MSA), must be included as income on line 23 of Form 2.

If you made withdrawals from a self-administered MSA that were not used to pay qualifying medical expenses, including withdrawals made on the last business day of the tax year, you must complete the worksheet below. Nonqualifying withdrawals, other than those made on the last business day of the tax year, are subject to a 10% penalty.

1. Enter the total from column D of Montana Form MSA. This amount must also be reported on line 23 of Montana Form 2 (long form). 1. _____
2. Enter withdrawals included in column D of Form MSA were made on the last business day in December 2004. 2. _____
3. Subtract amount on line 2 from amount on line 1. 3. _____
4. Multiply amount on line 3 by 10% (.10). This is your penalty. Enter this amount on line 48 of Montana Form 2 and write "MSA" in the space provided on line 48. 4. _____

When you file your Montana income tax return electronically you represent that you have retained all documents required as a tax record and that you will provide a copy to the department upon request.